

To the Members of the California State Senate:

I am returning Senate Bill 399 without my signature.

This bill would authorize health care providers who treat Medi-Cal patients injured by a third party to claim reasonable charges from the liable third party, rather than the Medi-Cal reimbursement rate. This bill would also extend counties' current lien rights against judgments to also include settlements, compromises, arbitration awards, mediation settlements, and any other recovery obtained.

Last year, I vetoed a similar bill, Senate Bill 494. I did so because I was concerned that the measure would encourage litigation and fail to keep in check medical charges.

I understand that health care providers should be reasonably compensated for services they provide, but this bill proposes a solution that provides for inflated medical and settlement costs; the impact of which will be borne by consumers in the form of higher insurance premiums.

Sincerely,

Arnold Schwarzenegger